



McDonald
Vague

business recovery partners

KINNAIRD LOGGING LIMITED (IN LIQUIDATION)

Liquidators' First Report

TO: The directors, shareholders and known creditors of the company

McDonald Vague Limited

Level 10, 33 Federal Street,
Auckland Central

PO Box 6092, Victoria Street West,
Auckland 1142, New Zealand

p: 09 303 0506

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1 INTRODUCTION AND APPOINTMENT

Kinnaird Logging Limited (In Liquidation) ("the company") was placed into liquidation by a special resolution of the shareholders of the company pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act") on 22 July 2021 at 09:30 a.m. Peri Micaela Finnigan Licence No: IP17 and Colin Sanderson Licence No: IP89, Licensed Insolvency Practitioners, of Auckland, were appointed as joint and several liquidators of the company.

2 RESTRICTIONS

In preparing this report and its appendices, we have relied upon information provided to us. We have not independently verified or audited that information. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction, or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, amend this report to take into account any information existing at the date of this report that becomes known to us after this report is published.

3 INDEPENDENCE

A declaration of independence is attached at Appendix 2. We are not aware of any real or perceived conflicts of interest or risks to our independence.

4 ATTACHMENTS

The following documents are attached to this report:

- Appendix 1: Statement of Affairs
- Appendix 2: Declaration of independence, relationships, indemnities, and upfront payments
- Appendix 3: Schedule of creditors' names and addresses
- Appendix 4: Notice of liquidators' decision to dispense with meeting of creditors
- Appendix 5: Notice to creditors to prove debts or claims
- Appendix 6: Creditors claim form

5 COMPANY STRUCTURE AND BACKGROUND

Date of incorporation:	04 October 2017	
Company number:	6478012	
New Zealand Business Number:	9429046390646	
Date ceased trading:	1 July 2021	
Nature of business:	Logging Contractor	
Trading address:	27 Austin Street, Onekawa, Napier	
Previous names/Trading name:	Nil	
Share capital:	100	
Shareholders:	David Nowland Kinnaird	50
	Fangpin Lin Kinnaird	50
Directors:	David Nowland Kinnaird	
Related companies:	Nil	

The company started trading from 1 April 2018. There were some staff issues and the impact of Covid-19 on the forestry industry, which caused cashflow issues. It fell into arrears with its secured lender and, as a result, Heartland Bank repossessed the forestry machinery leaving the company unable to continue to operate. Attempts to refinance were unsuccessful and the liquidators were appointed.

6 STATEMENT OF AFFAIRS

A Statement of Affairs showing the company's estimated financial position as at the date of our appointment is provided at Appendix 1.

7 ASSETS AND PROPOSED ACTIONS IN THE LIQUIDATION

We will realise all available assets. The estimated date for this action to be completed is 20 August 2021.

The company is currently involved, as the plaintiff, in a dispute resolution process which may lead to a recovery by the company. Further details are withheld to avoid prejudicing the process and we are unable to estimate when the process will be completed.

We will complete a thorough review of the company's books, records and affairs to:

- ensure that all assets have been properly accounted for,
- determine if there are any other avenues of recovery for creditors,
- determine if the company's officers have properly carried out their duties and take appropriate steps where necessary.

If there are funds available for distribution to creditors, we will verify creditors' claims and make a distribution. We will then complete the liquidation and request that the Registrar of Companies remove the company from the register.

8 LIABILITIES AND CALL FOR CREDITOR CLAIMS

The liquidators have compiled a schedule of the company's creditors and their addresses as required by Section 255(2)(c) of the Act, which is at Appendix 3. The schedule has been compiled from company records and information provided to the liquidators at the time of preparing this report. The schedule may not list all of the company's creditors and all of the parties listed on the schedule may not be creditors of the company.

There are no known contingent creditors. As advised in section 7 above, the company is currently involved in a dispute, as the claimant. There is no potential liability to the company as a result of this dispute process.

A notice to creditors to prove debts or claims is provided at Appendix 5 and an unsecured creditor's claim form is provided at Appendix 6. If you are an unsecured creditor and you wish to lodge a claim in the company's liquidation, please complete the unsecured creditor's claim form then return the completed form together with supporting documentation to our offices by Saturday, the 28th day of August 2021. Creditors that have not made a claim by this date may be excluded from any distribution made.

If you believe that you are a secured creditor, you should not complete the unsecured creditor's claim form. Please contact us and request that a secured creditor's claim form be sent to you.

8.1 Secured Creditors

As at the date of liquidation 5 secured parties had registered security interests against the company on the Personal Property Securities Register. One has since discharged their security. The liquidators have requested details of the security and amounts owed from the remaining secured parties.

- Heartland Bank Limited – General security and specific securities over vehicles & machinery
- Total Oil New Zealand Limited – goods provided
- Nissan Financial Services New Zealand – Nissan Navara
- Forest Owners Marketing Services Limited – goods provided

On 2 June 2021 Heartland Bank Limited uplifted the goods pursuant to its specific security agreements with the company.

Personal Property Securities Act / Reservation of Title

If you have not registered a financing statement on the PPSR and you believe you have:

- a Purchase Money Security Interest entitling them to any goods in the possession or control of the company and/or proceeds from the realisation of those goods; and/or
- a Reservation of Title over goods;

you should contact us immediately.

8.2 Preferential Creditors

The Inland Revenue Department has not yet provided us with a creditor's claim form, but we understand that there are preferential amounts due in respect of GST, PAYE and other payroll deductions totalling approximately \$96,765.

We are unable to estimate what preferential creditors may recover as it is dependent on the settlement of the dispute process referred to in section 7 above.

8.3 Unsecured Creditors

From our review of the company's accounting records and other information we estimate that the amount due to unsecured creditors is approximately \$48,345 which includes IRD unsecured debt (interest/penalties) of \$32,850. We believe that because of the shortfall to the secured creditor and the amount of the IRD's preferential claim, that unsecured creditors are unlikely to receive any distribution in the liquidation.

9 CREDITORS' MEETING / LIQUIDATION COMMITTEE

A notice of the Liquidators' decision to dispense with the meeting of creditors is provided at Appendix 4.

Any creditor or shareholder may at any time in the course of the liquidation request that the liquidators call a meeting pursuant to Section 314 of the Companies Act 1993, for the purpose of appointing a liquidation committee. Any request for a meeting must be submitted to the liquidators in writing.

10 FURTHER INFORMATION

If you are aware of any information that would assist the Liquidators, please set the details out in writing, attach any supporting evidence, and send it to us. Please note that it can be difficult for liquidators to act in reliance on information that is not provided in writing.

If any creditor wishes to receive the six monthly reports by email as and when they are published, please ensure that an email address is provided on your creditors' claim form.

This report and all subsequent reports will be available on the Liquidators' website at <http://www.mvp.co.nz>

11 ESTIMATED DATE OF COMPLETION

It is currently too early to estimate a date of completion for the Liquidation.

12 CONTACT DETAILS

Enquiries should be directed to Colin Sanderson on DDI +64 (7) 838 0908 or by email to Csanderson@mvp.co.nz.

The Liquidators can be contacted at:

McDonald Vague Limited
Level 10
33 Federal Street
Auckland 1010

P O Box 6092
Victoria Street West
Auckland 1142



Peri M Finnigan
LIQUIDATOR (Licence No: IP17)

Dated this 28th day of July 2021

KINNAIRD LOGGING LIMITED (IN LIQUIDATION)

Statement of Affairs

Statement of Affairs for the above named company as at 22 July 2021 (being the date of liquidation) showing assets at estimated realisable values and liabilities expected to rank.

ASSETS SPECIFICALLY PLEDGED	<i>Estimated to Realise</i>	<i>Due to Secured Creditor</i>	<i>Deficiency Ranking as Unsecured</i>	<i>Surplus</i>
Nissan Navara LWE294 - Nissan Financial	25,000	30,000	(5,000)	-
John Deere Grapple Skidder - Heartland (note 5)			-	-
Volvo Excavator - Heartland	-	-	-	-
Mitsubishi Triton GLP749 - Heartland	-	-	-	-
Mitsubishi Triton GLP754 - Heartland	-	-	-	-
Harvestech Delimber - Heartland	280,000	434,000	(154,000)	-
<i>Estimated surplus / (deficiency) as regards specifically pledged assets</i>	\$ 305,000	\$ 464,000	(\$159,000)	\$ -
ASSETS AVAILABLE FOR PREFERENTIAL CREDITORS			<i>Book Value</i>	<i>Estimated to Realise</i>
Dispute Settlement (Note 6)			Nil	Withheld
Total			-	-
<i>Less preferential creditors</i>				
Inland Revenue Department				96,765
Total				96,765
<i>Estimated deficiency as regards preferential creditors</i>				(\$96,765)
ASSETS AVAILABLE FOR GENERAL SECURITY AGREEMENT HOLDER/S			<i>Book Value (31/03/2020)</i>	<i>Estimated to Realise</i>
Estimated surplus from assets specifically pledged				-
Chevrolet Blazer			1,598	Unknown
Tools & equipment			1,551	Unknown
Total			3,149	-
LESS GENERAL SECURITY AGREEMENT HOLDER/S				
Heartland Bank Limited				154,000
Total				154,000
<i>Estimated deficiency as regards General Security Agreement holders</i>				(\$154,000)
Less deficiency as regards preferential creditors				96,765
Deficiency ranking as unsecured				(250,765)
AVAILABLE FOR UNSECURED CREDITORS				-
LESS UNSECURED CREDITORS				
Estimated deficiency as regards Secured Creditors				5,000
Estimated deficiency as regards General Security Agreement holders				154,000
Estimated deficiency as regards preferential creditors				96,765
Inland Revenue Dept unsecured claim				32,850

Trade creditors

15,495

Estimated surplus/(deficiency) as regards unsecured creditors

(\$304,110)

Notes:

1. There is no unpaid capital liable to be called up.
2. The above estimates are subject to the costs of the liquidation.
3. Assets held may be subject to Purchase Money Security Interest ("PMSI") or Reservation of Title claims.
4. The General Security Agreement holder's claim will continue to accrue interest until fully paid.
5. Heartland Bank Limited has uplifted the assets subject to its specific securities
6. The company is involved in a dispute process which could result in a settlement payment. Details are withheld to avoid prejudicing the result

Disclaimer of Liability:

The information contained in the Statement of Affairs has been supplied by the company. We have not verified the information supplied. The Statement of Affairs has been prepared for the purpose of the liquidation and we do not accept any responsibility on any grounds whatsoever, including liability in negligence, to any party.

KINNAIRD LOGGING LIMITED (IN LIQUIDATION)

Declaration of Independence / Relationships / Indemnities and Upfront Payments

A DECLARATION OF INDEPENDENCE

- (i) The appointed and McDonald Vague Limited have undertaken a proper assessment of the risks of independence prior to accepting appointment in accordance with the code of conduct and applicable professional standards and have concluded that they have no prior business or professional relationship with the insolvent that is a real or a potential risk and that they are independent.

B DECLARATION OF RELATIONSHIPS

- (ii) The appointed and McDonald Vague Limited have no prior business or professional or personal relationship with known associates of the insolvent or with the major secured creditors that are a real or potential risk with the exception and to the extent of:

Name	Relationship	Reason
Heartland Bank Limited	Professional	We have previously dealt with Heartland bank on other insolvency matter

- (iii) The appointed disclose there are no other relevant relationships to declare.
- (iv) The appointed and McDonald Vague Limited have not provided any prior professional services to the insolvent or known associates of the insolvent in the prior two years.

C DECLARATION OF INDEMNITIES AND UPFRONT PAYMENTS

- (v) An indemnity has been provided by David Kinnaird to cover initial remuneration and expenses associated with the appointment. There is no condition on the conduct or outcome of the liquidation attached to the provision of the indemnity.



Peri M Finnigan
LIQUIDATOR

Dated this 28th day of July 2021

KINNAIRD LOGGING LIMITED (IN LIQUIDATION) Schedule of Creditors' Names and Addresses

Pursuant to Section 255(2)(c) of the Companies Act 1993

Creditor Name	Address 1	Address 2	Address 3	Postcode
Accident Compensation Corporation	acclevy@acc.co.nz			
Accountants Hawkes Bay Limited	PO Box 3239	Onekawa	Napier	4142
Aegis Oil	PO Box 20	Turua		3545
ANZ Bank New Zealand Limited	anzrecoveries@anz.co.nz			
Debtworks	sales@debtworks.co.nz			
Forest Owners Marketing Services Limited	PO Box 96	Fielding		4740
Inland Revenue Department	PO Box 39010	Wellington Mail Centre	Lower Hutt	5045
Heartland Bank Limited	75 Riccarton Road	Riccarton	Christchurch	8011
Lakeland Glass & Windscreens	39 Miro Street	Taupo		3378
McFall Fuel Limited	PO Box 2286	Tauranga		3140
Nissan Financial Services New Zealand	PO Box 83101	Wellington		6440
SmartAR	PO Box 113027	Newmarket	Auckland	1149
Taihape Engineering	9 Kuku Street	Taihape		4720
Total Oil New Zealand Limited	PO Box 13049	Mahora	Hastings	4155

Notice of Liquidators' Decision to Dispense with Meeting of Creditors

After having regard to the assets and liabilities of Kinnaird Logging Limited (In Liquidation) and the likely result of the liquidation, the liquidators propose to dispense with a meeting of creditors pursuant to Section 245 of the Companies Act 1993.

The liquidators do not, however, wish to preclude creditors from expressing their views. Please contact Colin Sanderson of this office on DDI +64 (7) 838 0908 if you have any specific enquiries.

If you wish to request that a creditor's meeting be called, notice in writing is required within 10 working days of receiving this notice. Your notice you must also state the reason you require a meeting so that an agenda can be prepared and circulated to creditors and creditors can be given the opportunity to vote on any proposed resolutions by voting letter.



Peri M Finnigan
LIQUIDATOR

Dated this 28th day of July 2021

Appendix 5

IN THE MATTER of The Companies Act 1993

and

IN THE MATTER of Kinnaird Logging Limited (In Liquidation)

Notice to Creditors to Prove Debts or Claims

Notice is given that the liquidator of Kinnaird Logging Limited (In Liquidation) ("the company"), fix 28 August 2021, as the day on or before which the company's creditors are to make their claims and establish any priority their claims may have under Section 312 of the Companies Act 1993. Creditors not having made a claim by this date may be excluded from any distribution made.



Peri M Finnigan
LIQUIDATOR

Dated this 28th day of July 2021

ADDRESS OF LIQUIDATOR

McDonald Vague Limited
Level 10
33 Federal Street
Auckland 1010

P O Box 6092
Victoria Street West
Auckland 1142

Telephone: +64 (9) 303 0506
Facsimile: +64 (9) 303 0508
Website: <http://www.mvp.co.nz>

DATE OF LIQUIDATION: 22 July 2021



McDonald Vague

business recovery partners

MCDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand. Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Unsecured Creditor's Claim

(Also for use by Preferential Creditors)

SECTION 304(1) COMPANIES ACT 1993
(For help see www.mvp.co.nz or email claims@mvp.co.nz)

NAME AND POSTAL ADDRESS OF CREDITOR IN FULL

Telephone Numbers: ()

()

E-Mail

My Reference is:
(if applicable)

* Any personal information collected is for the purpose of administering the liquidation in accordance with the Companies Act 1993.

The information will be used and retained by the liquidators and McDonald Vague and will be released to other parties only with your authorisation or in compliance with the Privacy Act 1993.

Under Section 304(1) of the Companies Act 1993 any claim by an unsecured creditor against a company in liquidation must be in this prescribed form and must -
(a) Contain full particulars of the claim; and
(b) Identify any documents that evidence or substantiate the claim.

You may have access to and request correction of any personal information.

(*Not applicable, if creditor is not an individual within the meaning of the Privacy Act 1993.)

NAME OF COMPANY IN LIQUIDATION:

(IN LIQUIDATION)

(If claim is made on behalf of creditor, specify relationship to creditor and authority)

claim that the company was at the date it was put into liquidation indebted to the abovenamed creditor for the sum of (Amount in words):

STATUS OF CLAIM:

1. I am an unsecured creditor for
(Also applicable to secured creditors who hereby surrender their security)

\$

2. I am a preferential creditor for
(Refer details on reverse)

\$

3. I am an unsecured creditor for
(State currency if other than \$NZ)

Other
Currency

NZ \$

4. I have claimed retention/reservation of title rights pursuant to rights held by me

Note: If you are a secured creditor contact this office and a Secured Creditors Claim Form will be sent to you.

Tick if Applicable
(Refer details on reverse)

Full particulars of the claim are set out, and any supporting documents that substantiate the claim, are identified on the reverse of this form.

(The liquidator may require the production of a document under Section 304(2) of the Companies Act 1993. You are **not required to attach any supporting documents** at this stage, but you may attach them now, if you think it would expedite the processing of the claim.)

SIGNED:

Date: / /

WARNING

It is an offence under Section 304(6) of the Companies Act 1993 to -

Make or authorise the making of, a claim that is false or misleading in a material particular knowing it to be false or misleading; or

Omit, or authorise the omission from a claim of any matter knowing that the omission makes the claim false or misleading in a material particular.

Received
(Date Stamp)

RESERVED FOR OFFICE USE:

Claim admitted/rejected
for voting purposes:
(Delete one)

Signed:

Date: / /

Preferential Claim for:

Ordinary Claim for:

CLAIM REJECTED
FOR PAYMENT:

\$

\$

or
CLAIM ADMITTED
FOR PAYMENT:

\$

\$

Signed
Liquidator:

Date: / /

Note: If the decision to admit or reject a claim is amended, regulation 8 of the Companies Act 1993 Liquidation Regulations 1994 requires that it be recorded in writing.



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McDONALD VAGUE LIMITED

PO Box 6092, Wellesley St, Auckland 1141, New Zealand
Telephone 0-9-303 0506, Facsimile 0-9-303 0508

Particulars of Claim

If the creditor owes money to the company, please give full details

Date	Details of Claim and Identification of Documents that Evidence or Substantiate the Claim	Amount \$

CLAIMS AGAINST INVENTORY (Romalpa Claims)(Consignment Goods) (Retention of Title) etc.

Please provide details of the basis of the retention of title claim filed by you and/or details of entry on the Personal Property Securities Register.

PREFERENTIAL CLAIMANTS ONLY

Guideline

The Seventh Schedule of the Companies Act 1993 sets out those claims which are regarded as preferential and shows their extent and order of priority. For example, wages and salary of any employee in respect of services rendered to the company during the four months preceding the commencement of liquidation are preferential AND the total sum to which priority is to be given in the case of any one employee for wages, holiday pay, deductions, redundancy and child support must not exceed \$23,960 or such greater amount as is prescribed at the commencement of the liquidation.

1. Why do you believe you are a preferential creditor?
(eg. employee, GST, etc) _____

2. Details of your claim: _____

If applicable please record here your GST Registration number: _____
and total GST included in your tax invoice: \$ _____